


TRANSMITTAL # 3

MEMORANDUM

April 18, 2007

TO: Executive Committee
Workforce Development Council

FROM: Roger B. Madsen, Director 

SUBJECT: State Plan for the Workforce Investment Act

ACTION REQUESTED: Provide Guidance to Staff on Development of the WIA State Plan

BACKGROUND:

The WIA Act and WIA Rules established a five-year planning cycle for Title 1 of the Workforce Investment Act and Wagner-Peyser Act. All states must continue to have approved plans in place for ongoing receipt of formula allotments under the Act.

The five-year planning cycle began on July 1, 2005 and will end on June 30, 2010. In 2005, USDOL instructed states to submit plans for only the first two years of the five-year planning cycle because of the anticipated reauthorization of WIA within that time period. Current instructions from USDOL note the continued uncertainty of WIA reauthorization and ask states to submit a modification of their current plans to cover years three and four of the five-year planning cycle.

Based on the direction from the Executive Committee, staff will develop the modification and publish it for review and comment beginning April 30. At the June 6 meeting, the final plan modification will be presented for the full council's review. Staff are seeking the committee's input on certain strategies that staff believe will offer additional flexibility to address changing labor market needs. Below are options for consideration.

Budget and Funding Strategy

The state continued to experience reductions in WIA funds. *Attachment 1* demonstrates a reduction in WIA adult and youth funds of 10 percent each and a reduction in dislocated worker funding of 13 percent. The total amounts to less than half of the 2002 levels of funding. Staff are proposing that the WIA Governor's 15 Percent Reserve continue with the same strategy as last program year, funding basic administrative staff, offering incentives for the consortium partner, offering additional support for the one stop system and providing support for optional activities. These optional activities include providing support to the older worker program, funding additional labor market information and establishing a small marketing budget. In the past, the state has prioritized the use of any additional

money to allow for additional support for dislocated workers, and funding pilot programs to address high growth, high demand occupations. Staff are recommending that we continue to work with local areas to utilize the \$300,000 that this council set aside in January to fund pilot programs designed to address worker shortages in manufacturing; however, we recommend that if regions are unable to establish projects by September 30, 2007, that we reprogram those funds based on priorities established by the council at the fall meeting. Staff are also recommending that we reserve a small amount of funding to use in the next program year to hedge against additional funding losses.

Waivers

USDOL's planning guidelines stress that states should take advantage of flexibility provisions under current legislative authority to tailor service delivery and program design to fit the unique characteristics of their workforce. This is done by submitting a request for a waiver of compliance to administrative rules or program requirements. As part of the planning process, the Workforce Development Council is required to review the state's currently approved waivers and request extensions if desired. The council may also request additional waivers with the plan modification.

Current Waivers

With the 2005 State Plan, Idaho sought and obtained approval of three waivers designed to minimize the administrative burden for service providers, utilize common measures reporting, and, an option that allows the Workforce Development Council to serve as a local board for the statewide planning region. Since WIA reauthorization has still not occurred, and since Idaho is again facing a decrease in all three categories of WIA funding, staff recommend the plan modification for years three and four include a request to extend the current approved waivers listed in *Attachment 2*.

Additional Waivers and Modifications

USDOL's plan modification guidelines encourage states to consider submitting additional waivers or plan modifications that:

- Increase training opportunities by permitting the use of a portion of local area formula funds or funds reserved for rapid response activities to provide incumbent worker training; and
- Allow states to choose the most appropriate mix of youth services needed within the state's economy.

New waiver and plan modification options for consideration of the council are delineated in *Attachment 3*.

Staff Recommendation: Provide guidance and direction to staff in development of the WIA plan.

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Attachments

Attachment 1

IDAHO WIA ALLOCATIONS - PY07

Adult Total Available \$2,204,869
85% - Available
Substate Adult Funds \$1,874,139

	PY 2007	Last year (PY06)	Difference
AREA 1	\$648,452	\$659,849	-\$11,397
AREA 2	\$277,560	\$304,235	-\$26,675
AREA 3	\$549,872	\$672,171	-\$122,299
AREA 4	\$164,737	\$180,198	-\$15,462
AREA 5	\$112,073	\$131,377	-\$19,304
AREA 6	\$121,444	\$134,563	-\$13,119
TOTAL	\$1,874,139	\$2,082,393	-\$208,255

DW Total Available \$2,295,799
60% - Substate Funds \$1,377,479

AREA 1	\$321,487	\$377,135	-\$55,648
AREA 2	\$118,094	\$134,353	-\$16,259
AREA 3	\$531,784	\$631,845	-\$100,061
AREA 4	\$132,300	\$164,057	-\$31,757
AREA 5	\$170,805	\$162,379	\$8,426
AREA 6	\$103,009	\$119,516	-\$16,507
TOTAL	\$1,377,479	\$1,589,284	-\$211,805

Youth Total Available \$2,590,227
85% = Substate Funds \$2,201,693

AREA 1	\$709,826	\$763,254	-\$53,428
AREA 2	\$348,748	\$333,679	\$15,069
AREA 3	\$641,793	\$781,356	-\$139,563
AREA 4	\$191,988	\$210,139	-\$18,152
AREA 5	\$140,248	\$161,947	-\$21,699
AREA 6	\$169,090	\$195,951	-\$26,861
TOTAL	\$2,201,693	\$2,446,326	-\$244,633

Attachment 2

Extend the Waiver of the Time Limit on Period of Initial Eligibility for Training Providers

The State of Idaho will request an extension of an existing waiver regarding the Workforce Investment Act's (WIA) time limit on the period of initial eligibility of training providers (20 CFR 663.530), through June 30, 2009, the end of the planning cycle for the upcoming plan being submitted. The state's training providers have expressed strong concerns with the implementation of subsequent eligibility requirements, such as confidentiality and excessive administrative burden and costs associated with tracking all students. Idaho is committed to delivering quality employment and training programs under WIA. However, it is very likely that if the waiver is not extended, the implementation of the subsequent eligibility criteria will prevent providers from participating in WIA and deny the state the ability to continue to provide the broadest range of training options for its WIA participants.

Statewide Regional Planning Area—Single Statewide Council

The State of Idaho will seek an extension of a waiver to apply 20 CFR 661.300(f) which permits a state board to carry out the roles of a local board in a single local area to a statewide regional planning area. The waiver allows the state to address the Administration's strategic priorities and to further reforms envisioned in the Workforce Investment Act. To maximize resources available for service delivery, the state will continue to use the Workforce Development Council as the local workforce board for this area. This will foster sharing of data and information across regions and ease movement of customers from region to region.

Utilization of Common Measures

The State of Idaho is requesting an extension of a waiver to continue the use of USDOL's six common measures for reporting and performance purposes, in lieu of the 17 WIA performance measures. This is in conjunction with implementation of these same measures for the state's Wagner-Peyser, Jobs for Veterans Act and Trade Adjustment Act programs. By using these six common measures, Idaho is able to eliminate duplicative administrative systems, reducing paperwork and labor costs associated with redundant data collection and establishes a simplified and streamlined performance measurement system that is more cost effective. With consistent direction, program resources can be directed to a single set of goals, rather than competing goals and costly processes.

Attachment 3

Increase Local Training Options

As noted in the planning guidance, USDOL is encouraging states to consider waiver options that broaden local resources to bolster local talent development. USDOL specifically identified two options to provide incumbent worker training.

1. Use of Local Adult/Dislocated Worker Funds to Provide Incumbent Worker Training

The state may request a waiver under WIA Section 134 to permit local areas to request the use of a portion of local area formula funds for adults and dislocated workers to provide incumbent worker training identified at WIA Section 134(a)(3)(A)(iv). USDOL has approved these waivers for other states looking to provide training to incumbent workers in need of skill enhancement. Reporting of performance outcomes will be required for those served under this waiver.

2. Use of Statewide Rapid Response Funds to Provide Incumbent Worker Training

The state may request a waiver to allow statewide Rapid Response funds to be used to provide incumbent worker training as outlined in WIA Section 134(a)(1)(B). This is somewhat similar to the earlier waiver listed. USDOL has approved these waivers for other states looking to provide training to incumbent workers in need of skill enhancement. Reporting of performance outcomes will be required for those served under this waiver.

Adjust the mix of youth services to support Out-of-School Youth Activities

USDOL has developed a Youth Vision which proposes that the public workforce investment system serve the neediest youth: youth aging out of foster care, those involved with the juvenile justice system, children of incarcerated parents, migrant youth, Native American youth, and youth with disabilities.

Noting that over 30 percent of youth are dropping out of high school nationally, and the number is closer to 50 percent in many urban areas, USDOL envisions state-level collaborative efforts to develop a coordinated strategic plan that allow WIA funds to focus on out-of-school youth, reconnect out-of-school youth with high quality educational opportunities and build the capacity of the workforce system to provide services to the neediest youth in a business solutions environment.

USDOL anticipates reauthorization will focus the WIA Youth program on out-of-school youth. States are encouraged to modify their current plan to move toward out-of-school service delivery during the current planning cycle.

Staff are requesting the council provide guidance on whether the state should focus more resources on out-of-school youth. This would impact in-school programs that focus on drop-out prevention rather than drop-out recovery and remediation but would direct the more limited pool of resources to the neediest youth who require assistance to return to school or employment. .